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RSPA -98-4868-18

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BEFORE THE
UNITED STATES DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
WASHINGTON, DC

Notice of Proposed
Rulemaking Regarding
Gas Gathering Line
Definition, 49 C.F.R.
Part 192

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) RSPA Docket No. PS-122
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COMMENTS OF THE OHIO GAS ASSOCIATION

A. INTRODUCTION

The Ohio Gas Association (OGA) is a gas utility trade organization which includes in its membership twenty-five local distribution companies and seven interstate transmission companies, all operating within the State of Ohio. The OGA member companies serve over three million customers through a pipeline and main network of approximately 57,000 miles.

OGA is concerned with the proposed rulemaking regarding gas gathering line definition and is appreciative of having the opportunity to comment. Several OGA members operate gathering systems in Ohio and all members believe the proposed rule change would have a severe negative impact on an important supply source, namely locally produced Ohio gas.

B. SPECIFIC COMMENTS

RSPA proposes to clarify and define the terms "gathering line", "production facility", and "production field". OGA is not aware of any safety related reason for changing the existing definitions.

The gathering systems in Ohio are complex and have been developed over the years to economically gather gas from marginal wells throughout the Appalachian producing area. In many cases large gathering systems are operated by local distribution companies and interstate pipelines rather than producers. Custody transfer from the producer to the gathering system operator occurs at a point on the gathering system where a meter is set, normally at the end of the producer's well line. The gathering system then terminates at a distribution or transmission main. Locally produced Ohio gas generally requires no processing so no processing plant is required.

If RSPA is successful in redefining gathering lines, a major portion of Ohio's gathering systems would be reclassified as distribution or transmission main. The end result would be higher gathering costs, the loss of locally produced Ohio gas, the loss of related producing jobs and the abandonment of many miles of gathering line. Local Ohio production cannot be gathered economically if gathering lines must comply with Minimum Federal Safety Standards.

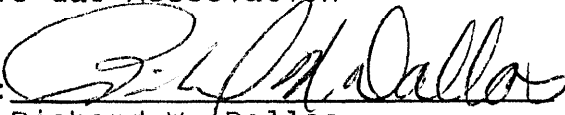
Part 192.14, Minimum Federal Safety Standards, requires, among other things, that pipelines brought into service be tested. Hydrostatically testing existing gathering lines would be an enormous cost, and would have a very negative environmental impact.

C. CONCLUSION

In summary, the proposed rulemaking would have an extremely large cost impact on many Ohio operators, forcing many to discontinue gathering service, and negatively impacting Ohio production. The custody transfer criteria would cause thousands of miles of gathering line in Ohio to be reclassified or abandoned. OGA believes there will be no safety benefits gained from reclassification of gathering lines and strongly suggests that this proposed rulemaking be withdrawn. The current definition meets Ohio's needs to effectively and economically gather locally produced Ohio gas.

Respectfully submitted,
Ohio Gas Association

By:



Richard W. Dallas,
Executive Director